

**R590. Insurance, Administration.**

**R590-240. Procedure to Obtain Exemption of Student Health Programs From Insurance Code.**

**R590-240-5. Exemption Requirements.**

A student health program may be exempted from the provisions of the Utah Insurance Code if it meets all of the requirements of this Section 5, applies for exemption under Section 6, and the exemption is granted.

- (1) A student health program must~~[-be]~~:
  - (a) be established by an institution;
  - (b) have assets that are owned by:
    - (i) ~~[owned by]~~an institution; ~~[or]~~
    - (ii) ~~[owned by]~~a trust; or
    - (iii) the trustees, in their fiduciary capacities, of a trust established by an institution; and
  - (c) be operated by:
    - (i) an institution; or
    - (ii) the institution's authorized agent or affiliate.
- (2) The primary purpose of the institution must be higher education, and not the providing of a student health program.
- (3) Payment of covered claims of the student health program must be secured by adequate assets:
  - (a) that are:
    - (i) secured by being:
      - (A) pledged;
      - (B) guaranteed;
      - (C) contributed;
      - (D) placed in trust; or
      - (E) using a combination of Subsections 5(3)(a)(i)(A), 5(3)(a)(i)(B), 5(3)(a)(i)(C), and 5(3)(a)(i)(D); and
    - (ii) secured under Subsection 5(3)(a)(i) by:
      - (A) the student health program;
      - (B) the institution that organizes, adopts, or establishes the student health program;
      - (C) the owner of the institution described in Subsection 5(3)(a)(ii)(B);
      - (D) an affiliate of the entity described in Subsection 5(3)(a)(ii)(C); or
      - (E) a combination of the entities described in Subsections 5(3)(a)(ii)(A), 5(3)(a)(ii)(B), 5(3)(a)(ii)(C), and 5(3)(a)(ii)(D); and
  - (b)i in an amount and type that would be required under Chapter 17 of the Utah Insurance Code;or
    - (ii) as approved by the commissioner by written order; and
  - (c) under such terms and conditions as the commissioner determines by written order.
- (4) The student health program may not be offered to or enroll anyone other than an eligible member.
- (5) The student health program must have a comprehensive legal structure that demonstrates that:
  - (a) the assets described in Subsection 5(3) will be administered in a fiduciary manner to assure that assets are available to provide eligible health care services and to provide payments

to health care providers, as outlined in any contracts between the student health program and health care providers;

(b) the student health program will be administered by an experienced administrator; and

(c) the student health program shall be administered according to contracts between:

(i)(A)(I) the student health program; or

(II) the institution; or

(III) both the student health program and the institution; and

(B) the enrollees; and

(ii)(A)(I) the student health program; or

(II) the institution; or

(III) both the student health program and the institution; and

(B) health care providers.

(6) Except for emergency health care services, or out-of-area or out-of-country health care providers, health care services for those enrolled in the student health program must be provided:

(a) at a student health center; or

(b) pursuant to a contract with health care service providers, by which those health care providers will provide health care services upon a referral from the student health center.

(7) Any supplemental health care services provided by the student health program must:

(a) be obtained from an insurer authorized to provide health insurance;

(b) be backed by assets under the conditions set forth in Subsection 5(3); or

(c) use a combination of Subsections 5(7)(a) and 5(7)(b).

(8) The student health program must provide review procedures substantially similar, and materially equal, to those presently in effect for insurers, health maintenance organizations, and limited health programs.

(9) The student health program or the institution or both shall annually provide the department an informational copy of all current policies, booklets, and advertising.

(10) The student health program or the institution or both must state in a prominent and appropriate place in all policies, contracts, booklets, explanatory material, advertising or other promotional material, and any presentations relating to solicitations of the student health program, that the student health program is not insurance, and the student health program has been exempted from regulation under the Utah Insurance Code, and must cite the date, docket number, and title of the docket by which the exemption was granted.

(11) The student health program must reduce any applicable preexisting condition provisions for any individual covered by the student health program by the amount of previous creditable coverage.

(12) The student health program must provide a certificate of creditable coverage upon request by an individual who was covered by the student health program.

**KEY: health insurance exemption**

**2007**

**31A-1-103, 31A-2-201**